

Winter heating costs could rise an average 10.5%

By Barbara Hagenbaugh, USA TODAY

WASHINGTON — Consumers will likely pay record prices to heat their homes this winter, with a particularly big jump expected in heating oil bills, according to a report to be released today showing how a recent surge in oil prices could hit homeowners.

The average U.S. household will pay \$992 in heating costs this winter, up \$94, or 10.5%, from last winter, says the National Energy Assistance Directors' Association (NEADA), a group of state energy aid officials.

CHART: [Heating oil costs expected to jump](#)

For heating oil customers the increase may be particularly dramatic. The average U.S. heating oil bill is expected to be a record \$1,834 for the winter, up 28% from a year ago and double the cost seen four winters ago. Average prices are expected to top \$3 a gallon, up from \$2.48 last winter.

The sharp, expected increases are attributed to elevated crude oil prices and low inventories.

Eight percent of U.S. homes use heating oil, mainly in the Northeast.

"Everything points to a tough couple of months," NEADA executive director Mark Wolfe says. "(Some) people who could afford last year's prices, can't afford this year's."

Natural gas customers are expected to see their tab rise nearly \$50 this winter to \$881, a 5% increase. More than half of U.S. homes are heated with natural gas. Electricity customers will likely see a 7% increase in their heating bill to a record \$883, according to the NEADA.

Any forecast for winter heating costs is subject to weather. Neil Gamson, analyst at the federal government's Energy Information Administration (EIA), says weather forecasts so far point to a colder winter than last year, suggesting higher bills may be in store.

Oil Price Information Service analyst Tom Kloza notes heating oil prices are likely to be highly volatile this winter.

"If it is severely cold from Thanksgiving Day through Valentine's Day, we will see a spike that could take prices up 25 to 50 cents a gallon in the blink of an eye," he says.

The EIA in two weeks will release its official forecast for winter heating bills.

The projected increase in heating oil costs comes as oil prices have broken records in recent weeks, hitting more than \$80 a barrel. A tight supply-demand balance has pushed up prices. Natural gas prices have also gained.

Oil retreated Monday after a tropical depression that had threatened energy production in the Gulf of Mexico petered out before causing any damage. Light, sweet crude for November delivery fell 67 cents to \$80.95. But natural gas prices continued their ascent.

Higher oil prices are also starting to be seen at the gasoline pump. After falling last week, the nationwide average price for a gallon of regular gasoline rose 2.5 cents Monday to \$2.812, the EIA says. Prices are up 43 cents from a year ago.

Heating oil costs expected to jump

Heating oil customers are expected to pay record prices this winter. Average U.S. winter heating oil prices per household:

Year	2003-04	2004-05	2005-06	2006-07	2007-08*
Cost	\$903	\$1,198	\$1,431	\$1,432	\$1,834

* Projected

Sources: National Energy Assistance Directors' Association, Energy Information Administration
